

Why You Should Have a Preferred Risk Policy

- The Preferred Risk Policy can save you money!
- The Preferred Risk Policy ensures you financial protection against flood damage at a special low price for owners of homes not in high-risk flood areas.
- Flood damage is not covered under most homeowner's policies. To get coverage, you have to buy a separate policy.
- In the past 25 years, the NFIP has paid one-quarter of its claims to cover flood losses to those homes in moderate to minimal flood risk zones.
- The Preferred Risk Policy provides several coverage combinations for both the building and its contents that range from \$20,000 building/\$5,000 contents to \$250,000 building/\$60,000 contents.
- People should consider this low-cost protection for their homes and contents because floods occur even in areas no one considers high-risk.
- When a flood occurs, there is no guarantee that it will be declared a Federal disaster and that you will qualify for Federal assistance.
- Disaster relief is often in the form of a low-interest loan that must be repaid. This adds to your total debt and may wipe out any equity that you have accumulated.
- As a condition for receiving disaster assistance, the homeowner must purchase and maintain a flood insurance policy for future protection.
- To be eligible for a Preferred Risk Policy, the building must be in a low-risk (B, C, or X) zone on the effective date of the current term.
- You can save about 30% of the standard application premium costs if you purchase a Preferred Risk Policy. Most people invest a major part of their income in a home. Protecting these assets from loss must be a concern.

"Life is not waterproof - Be flood alert."